इस समय शून्य कर अदा करने वाली औद्योगिक इकाईयों के बारे में किसी व्यापक सर्वेक्षण किये जाने का कोई प्रस्ताव विचाराधीन नहीं है।

Capital Investment by NABARD in Madhya Pradesh

961. SHRI AJIT P.K. JOGI:
SHRI S.S. SURJEWALA:

Will the Minister of FINANCE be pleased to state:

(a) capital investment made by National Bank for Agriculture and Rural Development in Madhya Pradesh during the last three years; and

(b) the details of the various schemes launched by the above bank during the aforesaid period?

THE MINISTER OF FINANCE AND THE MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b) National Bank for Agriculture and Rural Development (NABARD) is an apex institution which *inter-alia* provides refinance facilities to commercial and cooperative banks against loans under agricultural development schemes prepared by them adopting the service area approach. NABARD has reported that it has disbursed an amount of Rs. 13,801, Rs. 15,720 and Rs. 15,724 lakhs during the years 1993-94, 1994-95 and 1995-96 respectively in the State of Madhya Pradesh, as refinance for various purposes which *inter-alia* include minor irrigation, farm mechanisation, Integrated Rural Development Programme and Forestry.

Illegal Transfer of Money to Hongkong Bank

962. SHRIMATI KAMLA SINHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a case of illegal transfer of crores of rupees to Hongkong Bank by certain firms in Mumbai in connivance with the South India Bank Branch has recently come to light;

(b) if so, the details thereof;

(c) what was the modus operandi in fraudulently transferring the money in the Hongkong Bank by these firms; and

(d) what action has been taken by Government in the matter?

THE MINISTER OF FINANCE AND THE MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (c) Some fraudsters managed to open accounts in the names of fictitious firms with several banks including South Indian Bank Ltd., Nariman Point, Bombay. (SIBL). Investigations have revealed that foreign exchange worth about Rs. 269 crores was remitted abroad on the basis of fake import documents through such fictitious accounts opened with South Indian Bank Ltd.

(d) Four persons including Manager, South Indian Bank Ltd., were arrested for their suspected involvement in the racket. Various aspects relating to import bills were examined by the Reserve Bank of India and a circular prescribing specific operating procedure to prevent recurrence of such fraudulent transactions has been issued to banks. The banks have also been advised to take appropriate action against officials found involved/ suspected in these frauds.

Survey regarding India's Financial System

963. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a newsitem captioned "India's Financial System among the worst in Asia" as reported in Statesman dated the 22nd May, 1996;

(b) if so, whether the survey conducted by the political and Economic Risk Con sultancy Limited have described India's

financial system at 10th position in the world;

(c)if so, the facts and reaction of Government thereto; and

(d) what efforts are being made by Government to improve their financial system?

THE MINISTER OF FINANCE AND THE MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b) According to a survey conducted by the Political and Economic Risk Consultancy Limited as reported in Statesman dated May 22, 1996 India ranked 10th in financial system with the rating of 6.29 while it ranked 9th with a rating of 6.93 in physical infrastructure. According to this survey report published in Statesman, Vietnam was found to have the most deficient financial sector followed by China, India and the Philippines.

(c) and (d) Indian Financial System is currently undergoing a process of reform as a part of the broader reform programme initiated in 1991-92. The results of the implementation of various reform measures have so far been encouraging. As at the end of March, 1995, 13 out of 27 public sector banks attained the minimum capital adequacy ratio of 8%, 11 between 4% and 8% and the remaining 3 banks less than 4%. Besides, the positive trend of reduction in the number of public sector banks reporting operating losses from 9 to 6 during 1993-94 was further confirmed in a significant turn around of the public sector banks during 1994-95 with a net profit of Rs. 1116 crore as against a net loss of Rs.4349 crore in 1993-94. Alongside, there has been a drop in non-performing assets of the public sector banks from about 24% of their loan portfolio in 1992-93 and 1993-94 to a little below 20% in 1994-95. Besides, the first phase of de-regulation of interest rate has been successfully carried out.

Inflow of Foreign Institutional Investment

964. SHRI RAM NATH KOVIND: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the foreign institutional investment inflow is nearly 2 billion U.S. Dollars in 1996;

(b) if so, the details thereof;

(c) whether Government have any record of areas of such heavy investment by Foreign Institutional Investors in the country;

(d) if so, the details thereof;

(e) whether the country has been benefited by such increasing foreign investments; and

(f) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF FINANCE AND THE MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) and (b) Yes, Sir. As per information available with the Securities and Exchange Board of India (SEBI) in 1996 net investments by Foreign Institution Investors (FIIs) upto 2nd July, 1996 stood at US $ 2.118 Billion.

(c) and (d) The FIIs are free to transact business on shares of Indian companies listed in the Indian Stock Markets without any sectoral restrictions. As the dispersion of investments is wide and subject to day to day changes, it would not be feasible to analyse the sectoral spread.

(e) and (f) Participation by international investors increases the depth and credibility of the domestic capital markets and enhances the scope for capital mobilisation by the Indian Industry. Besides, the forex inflows consequent to FII investments play a facilitating role in management of the country's Balance of Payment situation.